

**481—107.5(99B) Sponsors.** A game night may be sponsored by a school, a qualified organization, an eligible qualified organization, or any other person as defined in 107.1(10A,99B). The license(s) required, participation fees permitted, participants allowed, prizes awarded, reports required, and frequency allowed depend upon the sponsor of the game night.

**107.5(1) Schools.** The following provisions apply to schools as defined in 107.1(10A,99B). Schools are not required to have a license if all of the following are complied with:

*a. Approval.* Public school organizations must receive approval for the game night from the board of directors, and private school organizations must receive approval for the game night from authorities in charge.

*b. Participants.* Only students shall be allowed to participate in game nights sponsored by organizations of public and private schools.

*c. Participation fees.* No participation fees are allowed. Students may use only play money for the game night.

*d. Prizes.* No restrictions or limits are placed upon prizes.

*e. Reports.* No reports are required for schools holding game nights pursuant to this subrule.

*f. Frequency.* There is no restriction on the frequency of game nights for schools.

**107.5(2) Qualified organization.** The following apply to a qualified organization as defined in rule 107.1(10A,99B).

*a. License.* The organization must be licensed under Iowa Code section 99B.7 and submit an application for an annual game night license along with the \$25 annual game night license fee. An annual game night license must be issued by the department prior to the commencement of the annual game night.

*b. Participation fees.* The sponsor may charge an entrance fee or a fee to participate in the games, and the participants may wager their own funds. No participant may expend more than a total of \$250 for entrance fee, game participation fees, and wagers.

*c. Participants.* No restrictions are placed upon who may participate.

*d. Prizes.* The organization may award only merchandise prizes. The value of prizes shall not exceed \$10,000. The organization shall not repurchase prizes. If gift cards are used as prizes, the gift card must be redeemable for merchandise only and not cash.

*e. Reports.* The organization must complete a quarterly report as required by rule 107.6(99B).

*f. Frequency.* An organization may hold only one game night per year.

NOTE: A qualified organization that held an annual game night between January 1, 2001, and December 31, 2006, and is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code may apply as an eligible qualified organization.

**107.5(3) Eligible qualified organization.** The following apply to an eligible qualified organization as defined in rule 107.1(10A,99B).

*a. License.* The organization must be licensed under Iowa Code section 99B.7 and submit an application for an annual game night license along with the \$25 annual game night license fee. An annual game night license must be issued by the department prior to the commencement of the annual game night.

*b. Participation fees.* The sponsor may charge an entrance fee or a fee to participate in the games, and the participants may wager their own funds. No participant may expend more than a total of \$250 for entrance fee, game participation fees, and wagers.

*c. Participants.* No restrictions are placed upon who may participate.

*d. Prizes.* The organization may award cash or merchandise prizes. The total value of all the cash and merchandise prizes shall not exceed \$10,000. A participant shall win no more than a total of \$5,000 in cash and merchandise. The organization shall not repurchase prizes.

*e. Reports.* The organization must complete a quarterly report as required by rule 107.6(99B).

*f. Frequency.* An organization may hold only one game night per year.

**107.5(4) Any other person.** The following apply to “any other person” as defined in rule 107.1(10A,99B).

*a. License.* The person must be licensed under Iowa Code section 99B.7 and submit an application for an annual game night license along with the \$25 annual game night license fee. An annual game night license must be issued by the department prior to the commencement of the annual game night.

*b. Participation fees.* The sponsor may not charge an entrance fee or participation fee for participation in games. The sponsor shall not receive any consideration directly or indirectly, other than goodwill.

*c. Participants.* A bona fide social or employment relationship must exist between the participants and the sponsor.

*d. Prizes.* No restrictions or limits are placed upon prizes.

*e. Reports.* No reports are required.

*f. Frequency.* The person may hold only one game night per year.